PROCEEDINGS OF THE MYSORE REPRESENTATIVE ASSEMBLY.

BUDGET SESSION—MAY AND JUNE, 1939.

FIRST DAY.

Tuesday, 30th May 1939.

The Budget Session of the Mysore Representative Assembly was held in the Jagan Mohan Palace Pavilion, Mysore, commencing at 12 of the clock on Tuesday, 30th May 1939, Mr. President (*Amin-ul-Mulk* Sir Mirza M. Ismail, K.C.I.E., O.B.E., Dewan) in the Chair.

The names of the members present are given in the Appendix.

The President opened the Assembly with the following Address :—

MEMBERS OF THE REPRESENTATIVE ASSEMBLY,

It is my privilege to welcome you to what, in all probability, is the last session of the Representative Assembly under the present Constitution, for, as you are aware, the Constitutional Reforms Committee is expected to finish its labours and to submit its report shortly, as a result of which many changes will take place in the system of government—changes which may, let us hope and pray, be conducive to the greater happiness and contentment of the people of Mysore and to the enhancement of the dignity of our Monarchy and State.

At this session, I propose, as usual, to consider mainly the financial position and problems of the State, reserving for my Dasara address an account of the progress made in various directions on the administrative side.

Budget for 1939-40.

In regard to the budget of the coming year, the Financial Secretary's Memorandum explains clearly the variations between the budget estimates of the current year, and the revised estimates now arrived at, and again between the latter and the budget estimates of next year. I shall now deal briefly with the main items of the budget.

Gold Mines.

The revenue from royalty on gold in 1937-38 was Rs. 25·57 lakhs as against Rs. 28·46 lakhs in the previous year. Our anticipation that the revenue in the current year would be almost the same as that of the previous year did not materialize, as the receipts actually came to only Rs. 23·00 lakhs owing to a decrease in the profits realised by the Nandydroog and the Champion Reef Gold Mining Companies. Next year's estimate follows the revised estimate of the current year.

Sandal Oil.

The net revenue from sandal oil has also declined considerably, due to the unsettled political conditions in Europe and consequent diminution of sales. We realised only Rs. 9·64 lakhs last year as against Rs. 14·96 lakhs in 1936-37. In the current year, as against Rs. 10·42 lakhs budgeted for, we expect to get only Rs. 7·11 lakhs. Next year's figure is even less, *viz.*, Rs. 6·74 lakhs.

Commercial enterprises—Railways.

In 1937-38 the net receipts from Railways amounted to Rs. 18·86 lakhs. In the current year we expect to get a net revenue of Rs. 20·64 lakhs, the gross earnings having risen to Rs. 77·10 lakhs as against Rs. 71·93 lakhs in 1937-38. For next year a net revenue of Rs. 20·11 lakhs has been budgeted for on a very conservative estimate.

At the request of the Mysore Government, the Government of India have sanctioned a fresh traffic and engineering survey for the proposed extension of the railway line from Chamarajnagar to the South by the South Indian Railway Company in association with one of our Railway Officers, subject to the condition that the initial cost of the survey would be borne by us. A provision of Rs. 2 lakhs has been accordingly made for this purpose in next year's budget. The extension of the line to Talaguppe, sanctioned this year at a cost of about Rs. 7 lakhs, is in progress.

Krishnarajsagar Hydro-Electric Works.

The net revenue from the Hydro-Electric Works in 1937-38 was Rs. 42·95 lakhs as against Rs. 42·87 lakhs assumed in the budget, and in the current year we expect a revenue of Rs. 46·60 lakhs as against Rs. 44·66 lakhs budgeted for. Next year's revenue is estimated at Rs. 48 lakhs.

Telephone System.

The installation of the channel carrier equipment in the Telephone Exchanges at Bangalore and Mysore has duplicated the Bangalore-Mysore trunk line, thus allowing greater facilities for through telephone communication. Our trunk lines are now complete in all respects for inter-connection with the All-India System.

The Bangalore Exchange, with its 500 subscribers and 40 extension telephones, is now fully loaded, and the Mysore Exchange has 220 subscribers and 21 link telephones. The two hundred line extension to the Bangalore Telephone System, which is now in progress, is found to be inadequate to meet even the immediate needs of the city. The extension of the system to 1,500 telephones at a cost of about Rs. 5 lakhs has just been sanctioned, and a provision of Rs. 2·50 lakhs is included in next year's capital budget for this purpose.

Work on the Shimsha project is progressing very satisfactorily and the station is expected to be in operation before the end of 1939. Details of the Jog Falls project are under close examination. The construction of the transmission and telephone lines between Jog and Bhadravati is making rapid progress.

The electrification of Kunigal, Chitaldrug and Sidlaghatta is well under way, while that of Sagar town has been recently sanctioned at a cost of Rs. 1·40 lakhs. Sanction has also been accorded to the electrification of Chamarajnagar, Bannur, Mugur and other places, involving a total outlay of Rs. 2·12 lakhs, and of Tiptur, Channarayapatna, Sravanabelagola, Kikkeri and Krishnarajpet, at an estimated cost of over Rs. 4½ lakhs. When all these schemes are completed, power will have been supplied to seventeen more towns and villages bringing the total number of towns and villages lit by electricity in the State to over 200.

Krishnarajsagar Irrigation Works.

The net receipts from these works in 1937-38 amounted to Rs. 1,97,000, and as against Rs. 2·65 lakhs budgeted for in the current year, we hope to realise Rs. 2·01 and Rs. 2·21 lakhs in the current year and the next respectively. I may add, in this connection, that the arrears of contribution and water rate due from the *raiyats* in the Irwin Canal area have mounted up to Rs. 20 lakhs, but I hope that the *raiyats* will not have much difficulty in paying their dues early.

Work on the new Shimsha branch canal, estimated to cost about Rs. 12 lakhs, is going on briskly. Now that the Cauvery branch works are very nearly completed, Government have

sanctioned the starting of the connected branch works at a cost of about Rs. 17 lakhs. These are expected to bring an additional area of 38,000 acres under irrigation.

Central Industrial Workshop.

The major part of the work done at the Workshop was, as usual, for Government departments. The manufacture of heavy trusses for the power station at Shimshapura, of transformer shells for the Government Electric Factory and of improved agricultural implements, was some of the work turned out at the Workshop.

Soap Factory.

The Soap Factory is expected to make a profit of Rs. 70,000 in the current year, as against Rs. 62,500 budgeted for, after providing for depreciation.

Porcelain Factory.

The difficulties in production experienced by the Porcelain Factory in the latter part of last year are being gradually overcome, and it is expected that there will be no working loss this year. Substantial improvement in working results is expected after the installation of the electric kiln during next year.

Mysore Silk Weaving Factory.

While framing the current year's estimates, the working of the Silk Factory was expected to result in a loss of Rs. 7,200. As a result, however, of the improvements that are being effected and of the working of some of the looms in double-shift, it is hoped that there will be no loss in the current year and that a small profit may be realised next year.

Industrial and Testing Laboratory.

There has been an appreciable increase in the output and sale of medicinal products prepared in the Laboratory. The profits in the current year and the next are estimated at Rs. 14,000 and Rs. 15,000 respectively, as against Rs. 8,229 realised last year and Rs. 10,000 budgeted for in the current year.

Bitumen Emulsion.

The quantity of bitumen emulsion produced in both the Bangalore and the Mysore factories in the current year was about 9½ lakhs of gallons as against about 3½ lakhs of gallons produced last year. One more emulsion plant has been recently put up at Hassan. We have thus three emulsion plants working at present—at Bangalore, Mysore and Hassan; and it will probably be necessary to duplicte the plant either at Mysore or at Bangalore, the demand for emulsion having increased considerably owing to the extensive tarring programme that is proposed to be undertaken.

Lac and Paint Works.

The manufacture of paints and varnishes for the Mysore Railways and other Government departments has been taken up, as also that of electrical insulating materials from lac. Both the production and the sale of these products are increasing steadily, the total sales in the first nine months of the current year amounting to Rs. 21,286, as against Rs. 20,677 in the previous year.

Mysore Iron and Steel Works.

The operations of the Works in the current year are expected to result in a working profit of more than Rs 5 lakhs, as against Rs. 1 lakh anticipated in the current year's budget. The cement plant is expected to earn a profit of Rs. 70,000 in the current year, as against Rs. 15,000 provided in the budget The working profit of these concerns for next year is estimated at Rs. 2,85,000 and Rs. 90,000 respectively.

Past experience has shown that every unit added to the Works has substantially contributed to the improvement in their working and operational position. The Works have at present to face a shortage of pig iron to meet the

full demand for steel. The problem of increasing the output of pig iron by employing electric smelting processes, for which special facilities exist in Mysore, is under careful examination.

Sri Krishnarajendra Mills.

The Mills show for the calendar year 1938 a net profit of Rs. 95,000 after providing about Rs. 1½ lakhs towards the interest charges payable to Government, but without providing for depreciation of fixed assets.

Mysore Sugar Company.

An increase in production as well as in the price of sugar contributed to the increased profits of last year, and a dividend of 15 per cent was declared by the Company, as against 10 per cent in the previous year. The suppliers of cane received a share of the profits in addition to the price initially paid for the cane.

An Act has been recently passed providing for the mixture of alcohol with petrol for use as motor fuel and the question of the levy of an excise duty on the power alcohol manufactured is under the consideration of Government. A revenue of Rs. 50,000 has been taken on this account in next year's budget.

The Mysore Paper Mills.

The Paper Mills started trial operations in September, 1938, and pulp from bamboo and paper from bamboo pulp are being manufactured since March, 1939. The Mills have now not only supplied paper to Government departments but have also placed their products on the market. They have obtained a further cash credit accommodation of Rs. 3 lakhs (in addition to the Rs. 12 lakhs raised last year) from the Imperial Bank on the guarantee of Government.

Badanval Spinning Centre.

The value of yarn produced so far in the current year is of the value of about Rs. 30,000, which is nearly 50 per cent more than that for the full year 1937-38. The value of *khadi* produced is about Rs. 42,000, as against Rs. 45,000 in 1937-38.

The wool spinning and weaving centre at Kolar has made much headway and *kamblis*, druggets and carpets valued at Rs. 4,000 were sold. The activities of this Centre have gone a long way towards the rehabilitation and improvement of the *kambli* industry in the district. A sales depot was opened in Mysore in July, 1938 and another in Bangalore in March last. In addition, arrangements have been made with the All-India Spinners' Association, co-operative societies, private merchants and others for the sale of the products.

The policy of starting village industries is being steadily pursued, and the Department has been devoting special attention to the problem of reviving rural industries, especially in areas where they once flourished but are now languishing on account of a variety of causes. Demonstrations of improved methods of tanning, leather-stitching, tile-making, coir-manufacture, and paper-making were arranged for last year at suitable centres. The results of these demonstrations are encouraging and Government have, therefore, considered it desirable to make a systematic and sustained effort to rehabilitate as many of these industries as possible in suitable rural areas. Accordingly, a three-year programme of rural industrial development involving an outlay of about Rs. 1¼ lakhs has been drawn up, and, as a first step, a sum of Rs. 30,000 has been provided in the budget for conducting demonstrations in twenty-five centres in respect of ten different industries.

Mysore Vegetable Oil Products, Ltd.

The factory and office buildings have been completed and the erection of the machinery is also nearing completion. Trial operations are expected to be started shortly.

Mysore Chemicals.

The necessary plant and machinery for the manufacture of sulphuric acid,

been received, ammonium sulphate has acid plant has been completed with the assistance of the expert engineer from America. The trial operations connected with the manufacture of sulphuric acid are expected to be started sometime in July and the manufacturing operations in November next.

As the Company did not receive adequate support from the public, it has obtained cash credit accommodation to the extent of Rs. 7 lakhs from the Imperial Bank of India on the guarantee of Government.

Electric Factory.

The Electric Factory produced Rs. 2 60 lakhs worth of goods and made a profit of about Rs. 6,000 up to the end of February, 1939, after providing for depreciation. The equipment in the Transformer Section has been doubled. Four hundred transformers were manufactured and sold. It is expected that, with the development of sales and the manufacture of transformers of a higher capacity, the value of the output of this section will be more than doubled next year. Water-meters are being manufactured and will be sold as soon as they are tested. It is hoped that it will no longer be necessary for the State to purchase these meters from outside. The manufacture of electrical meters is also being attempted. Further developments, such as, the manufacture of mathematical and levelling instruments are also in contemplation

Mysore Tobacco Company.

The cultivation and curing of cigarette tobacco is steadily increasing.

In spite of the adverse seasonal conditions, the Company was able to realise a net profit of Rs. 25,412 and to declare a dividend of four annas per share, free of income-tax, thus giving a return of 4·6 per cent per annum to the investor.

Manufacture of Edge Tools.

Government have just sanctioned a scheme for the manufacture of edge tools and agricultural implements. The possession will be located at Hassan which purpose, and it will be [illegible] for this Government concern in the initial stages.

Land Revenue.

Owing to the adverse seasonal conditions Land Revenue receipts show a heavy fall from Rs. 130·66 lakhs in 1936-37 to Rs. 119·26 lakhs in 1937-38 and Rs. 117·17 lakhs in the current year as against Rs. 122·82 lakhs assumed in the budget. It is hoped, however, that the revenue next year will not fall short of Rs. 122 lakhs.

Forest.

The revenue under this head in 1937-38 was Rs. 18·69 lakhs, and we hope to realise Rs. 18·39 lakhs and Rs. 17·90 lakhs in the current year and the next respectively.

Excise.

The excise policy of Government has always been directed towards a reduction of consumption by a careful regulation both of the manufacture and the sale of intoxicants. In pursuance of this policy further measures have been taken which will come into force from July 1, 1939. They are the enhancement of duty on *ganja* from Rs 27-8-0 to Rs. 30 per seer, the increase of tree-tax from Rs. 3 to Rs. 3-6-0 in the case of date and from Rs. 5 to Rs. 5-4-0 in the case of cocoanut trees, the reduction of the limit of private possession of *ganja* from three to two tolas and the reduction of its supply to the shops to the preceding five years' average. Instructions have also been issued to reduce the supply still further in those cases where smuggling of the drug may be suspected and to close toddy shops in some places on the afternoon of pay-days.

As indicated in my address to this Assembly in June, 1938, Prohibition was introduced as an experimental measure in the Closepet Rural Welfare and

Health Centre with effect from July 1, 1938, by closing thirteen excise shops involving a loss of Rs. 6 excise shops in [illegible], including those in the towns of Channapatna and Closepet. The loss of revenue as a result of these measures is estimated at approximately Rs. 50,000 per annum. The result of the experiment will be closely watched.

Under the head "Excise," the revenue for the current year is expected to be Rs. 48·87 lakhs, as against Rs. 49·47 lakhs last year. A sum of Rs. 51·44 lakhs is expected to be realised next year. This anticipated increase, it should be noted, is accounted for —

(1) by the increase of toddy tree-tax and of the duty on *ganja*,

(2) by the reduction in the price of arrack payable to the Mysore Sugar Company, and

(3) by the increase in the realisations of auction sales in the current year.

The first two causes are not such as are calculated to contribute to any increase in consumption, while the last also reflects not an increase in consumption, but a decrease in the profits of the liquor trade as a result of keen competition amongst the auction bidders.

Income-tax.

Under "Income-tax," we hope to get Rs. 26·94 lakhs and Rs. 27·63 lakhs in the current year and the next, respectively, as against Rs. 26·87 lakhs budgeted for this year, and Rs. 29·92 lakhs obtained last year.

The Government of India have recently introduced certain amendments to the Indian Income-tax Act providing for the levy of the tax on the *slab* system instead of the *step* system, and thus expect to realise a larger revenue. The adoption of a similar system in Mysore is under examination.

Excise Duty on Sugar.

Owing to the increased production of sugar we hope to receive Rs. 13 lakhs in the shape of excise duty in the current year and the next, as against Rs. 11·40 lakhs budgeted for this year.

Stamps.

The receipts both under "General" and "Court Fee Stamps" show a decline, the estimated collections in the current and the following years being Rs. 18·35 lakhs, as against Rs. 19·09 lakhs obtained last year and Rs. 18·93 lakhs anticipated in the current year's budget.

Public Debt.

The 3 per cent Conversion Loan (second series), referred to in my address at the last Dasara session, was closed in November, 1938, and the total amount received was about Rs. 150 lakhs, of which a sum of about Rs. 115 lakhs represents the conversion of our 5½ per cent 1938 Loan Bonds. The total amount of the 1956-61 loan (both the first and the second series) amounts to nearly Rs. 2 crores. The unconverted balance of Rs. 101 lakhs of the 5½ per cent loan was notified for discharge on the 1st November 1938, and claims preferred and discharged up to the end of February 1939 amounted to about Rs. 93 lakhs.

Expenditure.

The Financial Secretary's Memorandum indicates the new and special items included in the budget and I need only refer here to the more important of them.

Land Revenue.

Provision has been made for the establishment of a separate revenue district with Mandya as its headquarters from July 1, 1939, for the appointment of a special Revenue Sub-Division Officer for attending to the revenue, municipal and magisterial work at Bhadravati in view of its growing importance; and also for the bifurcation of the present Bangalore Taluk, as the present taluk is considered to be too heavy a charge for a single Amildar.

A sum of Rs. 3,000 has also been provided for the establishment of debt conciliation boards in some more taluks.

Medical.

We have provided Rs. 16·36 lakhs for the Medical department in the budget, that is, nearly Rs. 1·25 lakhs more than in the current year. A liberal provision has been made for the purchase of medicines, special equipment, additional staff, etc., for the various medical institutions in the State. Twelve new dispensaries have been established in the current year and a special provision of Rs. 10,000 has been included for the opening of some more dispensaries.

Irrigation Development Fund.

In my concluding speech at the last Dasara session, I referred to the necessity for the pursuit of an active policy of agricultural development with a view to raising the economic level of the rural population and increasing the prosperity of the country. To secure this end, the most urgent and essential thing is, perhaps, the construction of new tanks, especially in those parts of the country that are subject to drought. It must, however, be remembered that large works cannot be financed from the slender resources of the Revenue budget, nor is it desirable to finance the construction of such works, which are essentially of a protective nature, from borrowed capital. After a careful examination of the question in all its aspects and after taking into consideration all the factors—both financial and administrative—involved in the pursuit of such a policy, Government have decided to constitute a new fund called "The Irrigation Development Fund." It is proposed to make an initial contribution of a sum of Rs. 28 lakhs, of which Rs. 8 lakhs will be found by transfer from the "Special Reserve for Non-recurring Expenditure" that we have been able to build up in the last two fortunate years and Rs. 20 lakhs will be taken from the "Famine Insurance Fund." The Famine Insurance Fund has been in existence for more than thirty years now, and we have not incurred in the aggregate an expenditure of more than a couple of lakhs from it. The withdrawal of a portion of this Fund for protective irrigation works is, I think, quite justifiable and will, I am sure, be appreciated by you. The balance of Rs. 42 lakhs that will still remain in the Fund, is, in the opinion of Government, quite sufficient in the present circumstances to meet any unforeseen emergencies. The acreage contributions and the water-rate realised from the *raiyats* every year in respect of irrigation works financed from revenue will also be credited to the new Fund.

Government have so far sanctioned the following works from this Fund :—

	Estimated cost.
(1) Tank at Thippegonehalli in the Goribidnur Taluk for irrigating 600 acres	Rs. 2·50 lakhs
(2) Tank at Ragimakalahalli, Bowringpet Taluk, for irrigating 600 acres	3·10 ,,
(3) Tank at Alahalli in Kankanhalli Taluk for irrigating 1,100 acres	2·30 ,,

The construction of a tank across the Vrishabhavati river, near Byramangala, Closepet Taluk, at an estimated cost of Rs. 9·38 lakhs, has also been just sanctioned, and this project is expected to irrigate an area of 4.000 acres. It is proposed to finance this also from the Irrigation Development Fund.

The following projects are under consideration :—

(1) Improving Hongalwadi channel for increasing the supply of water to Ramasamudram tank.

(2) Construction of a tank across the Chickahagari in Jagalur Taluk for irrigating 1,400 acres.

(3) Construction of an anicut across the river Tunga near Sakrebyle for irrigating 14,500 acres on the left bank in the Shimoga and Honnali Taluks.

(4) Opening a right bank channel from the Tunga anicut at Sakrebyle for irrigating an area of 3,500 acres.

(5) Raising the Tunga anicut and the bed of the left bank channel by 4 feet for increasing the *atchkat* on the left bank by 3,000 acres in the Shimoga and Honnali Taluks.

(6) Construction of a tank across Sokkehalla situated in the Tungabhadra basin above Mallapuram, for storing 200 million cubic feet of water.

An estimate for Rs. 10·85 lakhs for opening the left bank channel from the

Bhadra anicut for irrigating 8,000 acres of land is receiving attention.

The Marconahalli reservoir is expected to be completed by June 1940, bringing about 10,000 acres of land under irrigation.

In undertaking new irrigation projects, Government, let me assure you, have not been unmindful of the paramount necessity of taking suitable steps for the restoration and conservation of the existing tanks. The provision for the restoration of minor tanks has been raised from Rs. 1¼ lakhs to Rs. 2 lakhs for next year, and a triennial programme has been laid down for carrying out these works.

In connection with the preparation of project estimates for tank works, an additional staff is found to be quite necessary, and it is proposed to sanction this at a total extra cost of about Rs. 20,000 per annum.

Communications.

Modern traffic has made it imperative to undertake the improvement of our main roads in a systematic manner. It is proposed to undertake a programme of tarring the roads from a special Road Fund. Government have decided to sanction an initial advance of Rs. 10 lakhs to this Fund from borrowed revenues subject to repayment with interest in ten annual instalments of Rs. 1,20,000 each. It would not be reasonable to meet these heavy charges on the permanent improvement of the roads from out of a single year's grant. The method which we propose to adopt will not impose any strain on our general revenues.

Bridges.

The Donehalli bridge and the bridge over the Shimsha, near Halagur, were completed and opened to traffic during the year.

The construction of the girder bridge over the Vedavathi at Kellodu on the Hosdurga-Huliyar road in the Chitaldrug District costing Rs. 83,800, of a bridge at Allapur over the Vedavathi and of two bridges over the Virijanadi channel on the Bangalore-Nilgiri road is in progress.

The construction of a bridge over the Kabini near Thumbasoge, Heggaddevankote Taluk, at a cost of nearly Rs. 2¼ lakhs is under consideration.

Education.

The expenditure under the head of 'Education' was Rs. 51·75 lakhs in 1937-38 and a sum of Rs. 54·62 lakhs is expected to be spent this year. A provision of Rs. 57·15 lakhs has been made in next year's budget, which is about Rs. 2½ lakhs more than in the current year and about Rs. 5·40 lakhs more than in last year.

The grant to the Mysore University has been fixed at Rs. 11·75 lakhs, as against Rs. 10·80 lakhs provided in the current year.

The Sri Krishnarajendra Silver Jubilee Technological Institute started work in September, 1938 and classes for the diploma courses in textile technology were opened in October, 1938. It is proposed to absorb the present Government Weaving Institute in the Technological Institute from June, 1939 and to start two more courses, namely, the certificate course in textile technology and the artisan course, from the academical year 1939-40. The cost of the initial equipment is estimated at Rs. 1·48 lakhs, of which Rs. 1·05 lakhs will be met out of the Silver Jubilee Fund.

A provision of Rs. 85,000 has been made in the budget for the Institute, half of which will be taken towards the balance of the initial expenditure and the other half towards the recurring charges.

The opening of an aided high school at Bhadravati has been sanctioned.

Six middle schools and forty-six primary schools have been so far opened in the current year. A sum of Rs. 8,000 has peen provided in next year's budget for opening new middle schools and a further sum of Rs. 15,000 for equipment and additional staff for the existing middle schools.

The final report of the Committee constituted to enquire into the present

state of elementary education is awaited. Meanwhile, the usual provision of Rs. 10,000 for the further expansion of primary education has been made.

Agriculture.

The establishment of a new agricultural school at Somanahalli in the Maddur Taluk has been sanctioned, involving a non-recurring expenditure of Rs. 15,000 and a recurring expenditure of Rs. 1,150 per annum.

As an aid to farmers with large holdings, the purchase of two tractors at a cost of Rs. 11,500 has been sanctioned.

In response to the very large demand from sheep-breeders in the State for cross-bred merino sheep, which was the subject of a representation at the last session of this Assembly, a provision of Rs. 6,000 has been sanctioned and a flock of twenty-seven merino sheep—perhaps the largest consignment ever imported into India—has now been received from South Africa.

Five veterinary dispensaries were opened this year, bringing the total number of such dispensaries to 80. Necessary provision for the establishment of two more dispensaries next year has been included in the budget.

A provision of Rs. 3,000 has been made for the supply of stud bulls.

The establishment of a cattle-breeding station at Hunsur has been sanctioned.

Drinking Water Wells in Villages.

The contribution of Rs. 3 lakhs made by Government in the current year for this purpose was distributed among the several districts and as many as 1,930 well works (both incomplete and new) have been programmed for the year. One sub-overseer and a peon have been sanctioned for each revenue sub-division as a basic scale for attending to both the village *panchayet* and the well works, and the services of a sub-engineer in addition have been made available for the Mysore district.

State Troops.

A provision of Rs. 20,000 has been made for the expansion of the Mysore Infantry.

General.

Let me now deal with the total results of the budget. The revenue transactions of the current year are likely to result in a deficit of Rs. 7·33 lakhs, as against a surplus of Rs. 93,000 anticipated at budget time. I may point out that this result is, to a large extent, due to the serious decline in land revenue, sandal oil receipts and mining revenue, which could not be reasonably anticipated when we framed our budget. It has to be remembered, however, that the deficit of Rs. 7·33 lakhs has been arrived at, after setting apart from the revenue account a sum of Rs. 18·78 lakhs towards the Loan Sinking Fund, in addition to crediting the entire interest on the Loan Sinking Fund investments (Rs. 10 lakhs), part of which was utilized in the revenue account (under interest) in the last five years.

For the coming year we count upon a revenue surplus of Rs. 1,11,000 after providing adequate funds for the activities of the various departments of Government.

The total liability of the State on account of the funded and unfunded debt, which stood at Rs 791 lakhs twelve years ago, stands at Rs. 1,450 lakhs at present, while our aggregate investments on productive works which amounted to Rs. 1,158 lakhs twelve years ago are now Rs. 1,952 lakhs. The net interest charges twelve years ago were Rs. 30 lakhs, while they are now Rs. 36 lakhs. As against the increase of Rs. 6 lakhs in the payment of interest charges, the net receipts from productive works have gone up by Rs. 25 lakhs, that is, from Rs. 50 lakhs twelve years ago to Rs. 75 lakhs at present. These figures clearly indicate that Government have not incurred any loss on account of the investments so far made by them in capital undertakings.

Next year we shall have repaid the Savings Bank Fixed Deposits, carrying interest at rates above 3 per cent and ranging up to 5½ per cent, and after the discharge of the 6½ per cent loan of over a crore in 1940-41, the burden of

our interest charges will be reduced still further.

Government and Commercial Enterprise.

I have been reading an article on the Swedish budget in a recent issue of the well-known American magazine, "Fortune." Let me quote a few sentences from it as they are of special interest to us in Mysore :

With a population of 6,250,000—very nearly that of Mysore—Sweden "has gone in for a far reaching New Dealism without scaring, overtaxing, or otherwise discouraging private enterprise and investments."

"Public and private enterprises are closely intertwined, with the State owning enormous enterprises, sometimes in partnership with private owners."

"The government in power automatically has to administer the State-owned enterprises, which together constitute the largest capitalist undertaking in the nation. Thus all politicians in Sweden are potential capitalist managers."

"The State and the communities together own a third of the forests, produce 35 per cent of the electric power. It controls mineral resources and part of the agricultural land; has a controlling interest in the enormous mines in Lappland, chief sources of iron exports; owns the main rail roads; has a monopoly of the telephone, telegraph and the radio. Tobacco is a State monopoly. The State keeps a strong hand on the manufacture and sale of pharmaceutical products; it is in the banking business, with two major banks that compete and co-operate with the private banks. And it raises a lottery."

"New reforms are carrying the State deeper and deeper into insurance and housing. Removed from the field of private competition are all urban utilities and transportation."

You will doubtless observe that our industrial policy has certain resemblances to the Swedish policy. Whatever opinion our kindly critics may hold, I believe that we are on the right track, and I maintain that the industrial policy that we are following is neither wrong in principle nor unworthy of a State. Indeed, I should like to say that it is our firm determination to pursue our industrial programme more vigorously than ever. I am convinced that this is the only way in which we can hope to raise the standard of living all round and increase the income both of the people and the Government and enable the latter to lighten the burden on land.

The States.

There is one subject of the most profound interest to all of us, to which I cannot altogether omit reference. It is the subject of re-adjustment—re-adjustment in the internal organisation and the external relations of the Indian States. As I have already said, here in Mysore, a Committee is at work on these subjects. We are awaiting its report. But meanwhile it seems necessary to indicate the attitude of Mysore to the recent statesmanlike exhortation of His Excellency the Viceroy to the Rulers of the Indian States. The answer of Mysore to that appeal was—you will endorse this—a complete and full agreement. And from what I know of other States their answer is the same. For an Indian Prince there can be no higher object in life than this—to live for and to strive for the welfare and contentment of his subjects. There belongs to him, by age-long tradition, the natural leadership of his people in all that pertains to their prosperity and honour. In their approbation lies his highest reward. But how is he to secure this approbation? Apart from the necessary personal exertion and interest, two things must be provided—appropriate constitutional machinery to ascertain public opinion, and administrative agencies to give effect to the decisions arrived at in the light of that opinion.

To the importance of all this the Rulers of our States are fully alive; and if action on their part has not been as rapid as some might wish, the reason is to be sought in the difficulties which beset the task.

the conditions of the modern world suggest the Roman maxim—"Hasten slowly." All around us we see forms of government and of society on trial. None has definitely passed the test. How then can we proclaim aloud or even feel in our heart, "This system is better than any other?" Even if a system of government or society appears to pass the abstract test, how can we be sure it will survive the acid test of crude realities?

I refer to these difficulties not to justify stagnation or re-action. To-day if we wish to survive we must take courage in both hands and move forward. Otherwise we perish. To leave the accustomed track involves risks, to keep to it involves greater risks. To reconcile the forces of progress and order—that is the task of wisdom.

In view of the difficulties of the problem one is gratified to note the tone of moderation and practicalness in some of the recent statements of Mahatma Gandhi on the subject of reforms in the States. It would be ridiculous to start with the presumption that the Ruling Princes of India are the enemies of their subjects. To have faith is fairer than to distrust and is more conducive to progress.

The way of salvation in our political and social ills seems to me to lie in a patient and tentative advance made in the spirit of compromise and goodwill. Compromise and moderation—the policy of the middle path will consolidate our strength and lead us on from strength to strength.

I make this plea not only with reference to the question of reforms within the States, but also with reference to the issue of Federation. Even there there is need, and the most clamant need, for the exercise of the spirit of compromise, not from this, that or the other side only, but from each and every side.

Speaking of Federation, I should like once again to make it clear that it is not correct to look upon our own particular questions—the subsidy and the retrocession of the C. & M. Station—as questions arising out of that issue. These two questions were there calling for solution long before Federation appeared on the horizon; and they would remain to be solved even if the Federation scheme be put aside. Both are questions connected not with the State's relations with British India as such, but with its dealings with the Imperial Power. We look for a final settlement at the earliest date possible, whether there is Federation or not.

Conclusion.

We live in a fluid world. It is impossible to say what the future, even the immediate future, may bring forth. Both inclination and reason place me among the optimists. I believe the world of to-morrow will be better than the world of to-day. We live in a world of undying hope. Politics pursue life, get in its way and sometimes trap it. Life is pursued by the problems of politics, problems which sometimes impede its progress or bring it to some *cul-de-sac*, but in the end life wins. Life goes on because people go on, eluding, outwitting and above all surviving the transient pattern-makers who appear from time to time, play their part on the stage and vanish.

Ladies and gentlemen, let us press ahead with hope and courage, serving our fellow-men in all sincerity and humility, doing all that lies in our power for the advancement of our State ever keeping a watch on realities, while never losing sight of the goal—a stable society.

Speech on the Address.

Rao Sahib M. RAMASWAMY.—Sir, we feel ourselves very happy on this joyous occasion. It is only yesterday that His Highness's 57th Birthday has been celebrated with much pomp and glory all over the State and the celebrations are still continuing all over the State. His Highness's rule is becoming more and more beneficial to the people of the State as years pass on. We know that His Highness spares no trouble or pain in going to the distant parts of the State to lay foundation stones or celebrate the opening ceremonies

of great industrial projects and irrigation schemes. The people of the State have been immensely fortunate in possessing a Ruler who is very much interested in the welfare of the people. His Highness always selects able statesmen as his Dewans. We cannot be sufficiently grateful to His Highness the Maharaja for appointing you as our Dewan and for persuading you to continue as such. We know, Sir, and it is interesting to know, that your careful administration has added to our exchequer more than half a crore of rupees in such a short period. It is not an easy thing. We know under what difficulties you had to carry on the administration a few years back and we are glad to-day that the Government of Mysore can show not only a surplus budget but also can sanction large amounts to different industrial concerns and irrigational projects. A great economist has very recently said something about Mysore. I request you to kindly permit me to read it.

Baron Von Dincklage, a disciple of Dr. Schacht (we are happy he is present here to-day in our midst) has very recently said : "The national wealth of any country is its working power and its natural resources of raw materials when both are fully engaged, and prosperity depends on their proportional utilisation. The big question as to how to raise the standard of living in India can only be solved by herself, *viz.*, by engaging the millions of unemployed in exploiting her enormous natural resources productively. In this matter, Mysore is giving the rest of India undoubtedly a lead."

We are so glad to know what Mysore has been doing, and varied are the benefits we are deriving under your wise administration. We are immensely grateful to you for this industrial and irrigational policy that you have launched and we assure you, Sir, that the people are so happy at this policy of yours.

It is a land-mark in the State that the District Conferences have been revived recently and thus you have created a common platform for both officers and people of the State to discuss the needs of the localities. In this connection, we beg to take this opportunity to express our great appreciation and gratitude to the Members of the Executive Council and other officers of the State who are trying their best to make these conferences more useful.

We are very glad to learn from you, Sir, that the Reforms Committee has finished all its deliberations and is in the stage of drawing up the final report. We are very sorry that some of our friends are away from the Committee. But still there are tried politicians in the Committee and we are sure that their recommendations will be most valuable.

May we pray you, Sir, to kindly convey to His Highness the Maharaja our most sincere, loyal and respectful greetings on this occasion of his 57th birthday? (*Applause.*)

Message of Loyalty to His Highness.

Nawab SHER KHAN of Honnali Nawab Family.—Sir, with your permission, I wish to speak a few words on this auspicious occasion. On behalf of the Muslim members of this House, I beg of you to convey our most humble and respectful felicitations to His Highness the Maharaja of Mysore on his 57th Birthday.

Mr. PRESIDENT.—It will be done on behalf of the entire House.

Felicitations to the Members of Council.

Mr. L. VEMA REDDY offered, on behalf of the House, congratulations to *Rajamantrapravina* N. Madhava Rau on his elevation as First Member of Council and to Mr. K. V. Anantaraman on his being elevated as a Member of the Executive Council. He added that both these officers had served the State and its subjects in various capacities and had made a name for their intelligent and loyal work.

Kannada Version of the Address.

Mr. C. K. VENKATARAMAIYA, Kannada Translator to Government, read the Kannada version of the Dewan's Opening Address.

Swearing in of New Members.

The following members made the prescribed Oath or Affirmation of Allegiance to His Highness the Maharaja and took their seats :—

BANGALORE DISTRICT.

RURAL.

Bangalore Taluk.

1. Mr. A. Chinnappa, Audugodi Village, Bangalore Taluk.
2. „ S. Venkatappa *alias* Chikka Venkatappa, Siddapur Village, Bangalore Taluk.
3. „ Seetharamiah, Yediyur Village, Bangalore Taluk.

Kankanhalli Taluk.

4. Mr. Sheik Mohideen, Kodihalli Village, Kankanhalli Taluk.
5. „ Patel Chame Gowda, Venkatarayanaddoddi, Kankanhalli Taluk.
6. „ B. S. Siddappa, Landholder, Bijjahalli, Kankanhalli Taluk.

Magadi Taluk.

7. Mr. H. Gangappa, Hulikunte Village, Magadi Taluk.

Devanhalli Taluk.

8. Mr. G. Veerappa, son of Mr. Kempanna, Devanhalli.
9. „ Y. V. Kumariah, son of Mr. Veerabhadrappa, Devanhalli.

Closepet Taluk.

10. Mr. S. L. Muddubasaviah, son of Mr. S. Lingappa, Closepet Taluk.

URBAN.

Bangalore City Municipality.

11. Mr. B. R. Kavetirangappa, No. 80-81, Manager Ranganna Lane, Manavarthapet, Bangalore City.
12. Mr. Singam Rangaswamappa, No. 111, Akkipet, Bangalore City.

Magadi Municipality.

13. Mr. T. Sreenivasa Rao, Tirumale Village, Magadi.

Dodballapur Municipality.

14. Mr. N. Rangappa, Excise Contractor, Dodballapur.

SPECIAL INTERESTS AND MINORITIES.

Spinning and Weaving (Textile).

15. Mr. S. V. Sreenivasa Setty, Silk Yarn Merchant, Avenue Road, Bangalore City.

Marwaris.

16. Mr. Misrilall Parasmall, No. 10, Dewan Soorappa's Lane, Chikpet, Bangalore City.

Nagartha.

17. Mr. Chikkaveeranna, Devanhalli Taluk.

KOLAR DISTRICT.

RURAL.

Chintámani Taluk.

18. Mr. N. Channappa, Shanbhog, Chandrahalli, Chintamani Taluk.

Goribidnur Taluk.

19. Mr. Isthuri Sampangi Ramiah, Merchant, Goribidnur.
20. „ Puttanarase Gowda, Patel and Landholder, Vatadahosahalli, Goribidnur Taluk.

Sidlaghatta Taluk.

21. Mr. A. C. Mallikarjunappa, Silk and Dhoti Merchant, Melur, Sidlaghatta Taluk.
22. „ Abdul Gaffoor, Landholder and Silk Merchant, Sidlaghatta.

URBAN.

Sidlaghatta Municipality.

23. Mr. N. Sitharamiah Setty, Merchant, Sidlaghatta.

SPECIAL INTEREST.

Gold Mining.

24. Mr. R. G. K. Morrison, K.G.F.

TUMKUR DISTRICT.

RURAL.

Tumkur Taluk.

25. Mr. Abdul Nabi Khan *alias* Miyalal, Mandi Merchant, Tumkur.
26. „ Narase Gowda, Patel and Landholder, Nagavalli Post, Tumkur Taluk.
27. „ Yusuff Khan *alias* Gulam Khadar Khan, Proprietor, Rajah Talkies, Tumkur.

Sira Taluk.

28. Mr. S. Sorappa, Landholder and Merchant, Sira.

Madhugiri Taluk.

29. Mr. Bhaktar Sahib, Kodigenahalli, Madhugiri Taluk.

Gubbi Taluk.

30. Mr. Veere Gowda, Belavatta Village, Gubbi Taluk.

Kortagere Taluk.

31. Mr. H. Subbanna, Merchant, "Sri Gowri Nilaya," 227, Second Cross Road, Visvesvarapuram, Bangalore City.

URBAN.

Tumkur Municipality.

32. Mr. B. Mallappa, Merchant and Municipal Councillor, Tumkur.

Gubbi Municipality.

33. Mr. G. M. Chandrasekhar, B.A., LL.B., Advocate, Gubbi.

Kunigal Municipality.

34. Mr. K. Venkatappa, P.W.D. Contractor, Kunigal.

MYSORE DISTRICT.

RURAL.

Maddur Taluk.

35. Mr. Chikke Gowda, Landholder, Doddarasinkere Village, Maddur Taluk.

Krishnarajanagar Taluk.

36. Mr. Patel B. Channappa, Bellulli Village, Krishnarajanagar Taluk.

Mandya Taluk.

37. Mr. N. A. Singlachar, Landholder, Mandya.

Krishnarajpet Taluk.

38. Mr. Patel Linge Gowda *bin* Kalegowda, Landholder, Bolamaranahalli, Krishnarajpet Taluk.

Nagamangala Taluk.

39. Mr. Abdul Rasool Sab. Landholder and Merchant, Bellur.
40. „ Mayappa *alias* Doddanna, Landholder, Raghuramapura Village, Nagamangala Taluk.

Gundlupet Taluk.

41. Mr. H. V. Venkata Setty, son of Mr. Venkata Setty, Gundlupet.

URBAN.

Mysore City Municipality.

42. Mr. K. Nanjappa, Merchant, Bamboo Bazaar, Mysore.
43. „ K. Nandi Basappa, Merchant and Municipal Councillor, Mysore.
44. „ M. Shamanna, No. 688. Thyagaraja Road Mysore.

HASSAN DISTRICT.

RURAL.

Belur Taluk.

45. Mr. Patel H. S. Chikkanna Gowda, Halebid, Belur Taluk.

URBAN.

Hassan Town Municipality.

46. Mr. S. P. Brahmappa, Landholder, Hassan.

SHIMOGA DISTRICT.

Shikarpur Taluk.

47. Mr. Tharuvandada Sangappa, Hittala Village, Shikarpur Taluk.

Sorab Taluk.

48. Mr. H. R. Subba Rao, Sorab.

KADUR DISTRICT.

RURAL.

Chikmagalur Taluk.

49. Mr. Gonakal Chennabasava Gowda, Coffee Planter, Gonakal Estate, Santaveri Post.

50. „ Abdul Gaffar Sheriff, Landholder and Partner, Messrs. Sheriff Brothers, Chikmagalur.

Kadur Taluk.

51. Mr. C. Somanna, Patel and Landholder, Kadur.

CHITALDRUG DISTRICT.

RURAL.

Hiriyur Taluk.

52. Mr. Mahomed Pacha Sab, Hiriyur.

Davangere Taluk.

53. Mr. Gowdara Gurusantappa, Davangere Town.

54. Mr. B. V. Nagesa Setty, son of Mr. B. Venkatesa Setty. Hosdurga.

Jagalur Taluk.

55. Mr. Kalingappa *bin* Kallappa, Patel, Madaginakere, Jagalur Taluk.

URBAN.

Chitaldrug Municipality.

56. Mr. B. Doraswamy, P.W.D. Contractor, Chitaldrug.

QUESTIONS AND ANSWERS.

Dam across the Kanva River.

Q.—3. Mr. Y. V. MUNISWAMI IYER (Chennapatna Municipality).—

Will the Government be pleased to state :—

(*a*) if there was any proposal in the past for constructing a dam across the Kanva River near Kannamangala situated at a distance of about 6 or 7 miles to the north of Chennapatna ;

(*b*) the volume of water available from the catchment area to the proposed tank and the extent of land that can be irrigated thereby ;

(*c*) the estimated cost of construction and the amount of contribution that may be expected from the raiyats ?

A.—The SECRETARY to GOVERNMENT, PUBLIC WORKS DEPARTMENT (Diwan Bahadur N. N. Ayyangar).—

(*a*) Yes.

(*b*) About six thousand units of water to irrigate an extent of 5,000 acres.

(*c*) Rate of contribution has to be settled after the estimated cost is definitely known.

Mr. Y. V. MUNISWAMI IYER.—When was this proposal first considered ?

Mr. N. N. AYYANGAR.—In the year 1907.

Mr. Y. V. MUNISWAMI IYER.—What was the reason for not taking up the work till now ? Were there any protests against it ?